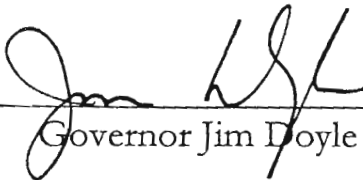




STATE OF WISCONSIN  
DEPARTMENT OF REVENUE

POLICY REGARDING  
CONSULTATION  
WITH  
WISCONSIN'S INDIAN TRIBES

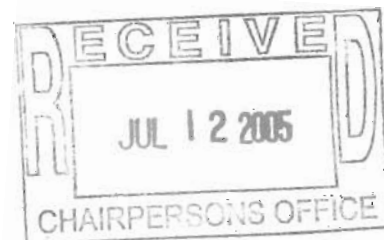


\_\_\_\_\_  
Governor Jim Doyle



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Secretary Michael Morgan

June 28, 2005



## **I. Introduction**

The Department of Revenue administers all major state tax laws. It also enforces the state's alcohol beverage and tobacco laws. As part of this effort, it also enforces the state's laws governing Class B facilities related to video gaming. It estimates state revenues, forecasts state economic activity, helps formulate tax policy, and administers the Wisconsin Lottery. It also determines equalized value of taxable property and assesses manufacturing property. It administers local financial assistance programs and assists local governments in their property assessments and financial management.

In December of 2004, the Department of Revenue released a Tax Incidence Study, the first thorough examination of who actually pays taxes in Wisconsin completed in over twenty years. The Tax Incidence Study found that Wisconsin's overall system of state and local taxation is slightly progressive to proportional. This means that lower income households tend to pay a slightly smaller share of their income in taxes than higher income households.

The mission of the Wisconsin Department of Revenue is to administer state and local taxes in a fair, equitable and efficient manner. Taxes should be collected in the fairest manner possible. This means that no single group, organization, industry or community should be required to shoulder a disproportionate share of the state's tax burden. Tax collection is designed to encourage a balanced tax system, particularly between personal income, sales and business income/corporation franchise taxes.

In Wisconsin, we have historically accomplished equity through a progressive tax system in which low-income Wisconsin families are not overly burdened. The progressive income tax and the exempting of key goods from the sales tax (example: food) help to achieve this objective.

We strive to be efficient both economically and administratively.

**Economic efficiency:** Because taxes can distort economic decisions, they bring about excess burden—a loss of welfare above and beyond the tax revenues collected. Excess burden should be minimized to the greatest degree possible so that the state's economy can grow and new jobs can be created.

**Administrative efficiency:** Like all state agencies, DOR should strive to go about its core mission of tax collection in the most administratively efficient manner possible.

In February 2004, Governor James Doyle issued Executive Order #39 relating to an affirmation of the government-to-government relationship between the State of Wisconsin and American Indian Tribal governments (Tribes) located within the State of Wisconsin. The Executive Order states: "Whereas State and Tribal governments play key roles in serving all of the citizens of the State of Wisconsin and collaboration between Tribes and State agencies will ensure that services are efficiently provided to all citizens, minimize service overlap, preserve natural resources and encourage sustainable economic development ..." A cooperative approach to resolving differences on issues of state taxation presents an opportunity for the state of Wisconsin and Tribal governments to improve the understanding of state tax law. Greater tax compliance benefits all levels of government; state, local and tribal, leading to administrative efficiencies in the collection of state taxes. Working together also presents tribes with the opportunity for improved administrative assistance for self-government and self-determination.

## Appendix A GLOSSARY

For purposes of this consultation policy, the following terms and definitions will apply:

*"American Indian Tribal government"* means a sovereign government of a Native American people, embracing and occupying lands and territory, and having jurisdiction over same, lying within the geographical boundaries of the State of Wisconsin, which sovereignty is recognized by the Government of the United States of America and subject to the Constitution, laws and treaties of the United States of America, which also may be known as a "federally recognized Indian Tribe".

*"Consultation"* references a tool used to facilitate communication and interaction between the state government entity and all of the federally recognized Tribes in Wisconsin.

*"Cultural awareness and sensitivity"* means having due knowledge of and regard for the behavior patterns, civilization, customs, arts, beliefs, institutions and all other achievements and manifestations of human work and thought as expressed in a particular community.

*"Government-to-government"* means communication and dealings between sovereign governments, their agencies and other official entities.

*"Sovereign"* means a state in which supreme authority is vested.

### V. Resolution of Issues

Throughout any given year, specific issues affecting one or more Tribes and the Governor will arise. These issues may be raised by either a Tribe or the DOR at any level within the state. The following process is to be used when an issue arises.

When an issue arises and an authorized and designated Tribal or DOR representative is available, they will discuss the issue and attempt to resolve it. If resolution is not achieved, the process described in Section V-B will be followed.

If resolution or non-resolution of the issue would affect a Tribe or Tribes other than the one(s) involved, then further discussion must occur as described in Section V-C.

### B. If an Issue Requires Higher Level Involvement

If higher level involvement is required, the issue will be raised to the appropriate level within the Tribal or DOR. Within the DOR, the Secretary's office will facilitate communication and will be the repository of all written communication between those parties. If the issue is not resolved, the issue will be referred to the Governor. If the issue cannot be resolved, the involved parties will determine what action to take.

